

City of Alexandria, Virginia

MEMORANDUM

DATE: APRIL 12, 2002

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: PHILIP SUNDERLAND, CITY MANAGER *PS*

SUBJECT: BUDGET MEMO # 22 : NOTICE OF EFFECTIVE TAX RATE INCREASE

This memorandum is to inform you that the attached State-required advertisement notifying the public of the effective tax rate increase and announcing a public hearing on that subject ran in the Alexandria Gazette Packet on Thursday, April 11, and in the The Northern Virginia Journal on Friday, April 12.

According to Virginia Code section 58.1-3321, the City is required to publish this notice because the real estate assessments for 2002 represent an increase of one percent or more over the 2001 tax assessment base. The State Code is very specific as to the form, wording and methodology that must be used for this notice. This year's notice states that the 2002 locally assessed tax base, excluding additional assessments due to new constructions or improvements to property, exceeds last year's total assessed value of real property by 9.48 percent. Due to the increase in total assessed value, the tax rate which would levy the same amount of real estate taxes as last year (referred to in the notice as the "lowered rate"), when multiplied by the new total assessed value of real property is \$1.01.

The public hearing regarding what is referred to as the "effective rate increase," which is the difference between the proposed rate of \$1.09 less the "lowered rate" of \$1.01, is scheduled for Tuesday, April 23, 2002.

Attachment: Notice of Proposed Real Property Tax Increase advertisement in the April 11, 2002, edition of the Alexandria Gazette Packet

NOTICE OF PROPOSED REAL PROPERTY TAX INCREASE

This notice is required by State law. The tax rate is proposed to decrease from \$1.11 to \$1.09 to fund the FY 2003 Proposed Operating Budget and Capital Improvement Program.

The City of Alexandria proposed to increase property tax levies.

1. **Assessment Increase:** Total assessed value of real property, excluding additional assessments for new construction, or improvement to property, exceeds last year's total assessed value of real property by 9.48 percent.
2. **Lowered Rate Necessary to Offset Increased Assessment:** The tax rate which would levy the same amount of real estate tax as last year, when multiplied by the new total assessed value of real estate with the exclusions mentioned above, would be \$1.014 per \$100 of assessed value. This rate will be known as the "lowered tax rate."
3. **Effective Rate Increase:** The City of Alexandria proposes to adopt a tax rate of \$1.09 per \$100 of assessed value. The difference between the lowered tax rate and the proposed tax rate would be \$0.08 per \$100, or a 7.92 percent increase. This difference will be known as the "effective tax rate increase." Individual property taxes may, however, increase at a percentage greater than or less than the above percentage.
4. **Proposed Total Budget of the City of Alexandria** (including the General Fund and all Special Revenue grant funds and other sources) will increase by 5.8 percent compared to last year's total budget.

A public hearing on the increase will be held on Tuesday, April 23, 2002, at 7:30 p.m., at the City Council Chamber of City Hall, 301 King Street, Alexandria, Virginia. The hearing shall be open to the public. The governing body shall provide persons desiring to be heard an opportunity to present oral testimony within such reasonable time limits as shall be determined by the governing body.

All persons wishing to speak to this issue may contact the City Clerk and Clerk of Council located on the second floor, Room 2800, City Hall, or may appear and be heard after completing a Speakers form before Council.

Persons with disabilities who wish to request accommodation for this public hearing should contact the Office of the City Clerk and Clerk of Council at 838-4550 (TTY/TDD 838-5056) prior to Friday, April 19, 2002, if possible.